REMARKS

Claims 1-18 and 80-83 were pending in the above-identified application, and were rejected. With this Amendment, claims 1, 9, 17, and 18 were amended, and claims 80-83 were cancelled. Accordingly, claims 1-18 are at issue.

I. 35 U.S.C. § 102 Anticipation Rejection of Claims

Claims 1-18 were rejected under 35 U.S.C. § 102(e) as being anticipated by Ginter (U.S. Patent No. 5,892,900). Applicant respectfully traverses this rejection.

Claim 1, as amended, recites that a second settlement log is issued from a second of the plurality of user devices to said first of the plurality of user devices and said first of the plurality of user devices issues said second settlement log to said one of a service provider and a clearing center every time the content is distributed by the second user device. This amendment is supported by the specification, which discloses a user device A 1510 that transfers a secure container to user device B 1520 via inter-generation or secondary delivery, with user device B creating a settlement log and transferring it to user device A, and user device A then transferring the second settlement log to the service provider or clearing center for settlement processing. (page 108, line 13 to page 110, line 15; Fig. 5).

Unlike claim 1, Ginter does not disclose or suggest that a second settlement log is issued from a second of the plurality of user devices to the first of the plurality of user devices, and the first of the plurality of user devices issues the second settlement log to the one of a service provider and a clearing center. Rather, Ginter discloses a distribution system that is symmetrical. (col. 281, line 33-34.) An end-user may redistribute information received to other end users. (col. 281, line 23-44; Fig. 77.) In particular, Figure 77 of Ginter shows that any settlement log

from a second user would be issued directly to the clearinghouse. There is no teaching or suggestion in Ginter that a second settlement log is issued from a second user device to a first user device and the first user device issues the second settlement log to a service provider or clearing center.

Moreover, the other portions of Ginter cited by the Examiner do not disclose the claimed distribution management system. In particular, the disclosure of col. 67 merely states that when communication occurs between two VDE appliances, an output may be compared to a "senior" party. (col. 67, lines 38-43.) First, this applies in Ginter when there a power failure or discrepancy, and second, there is no disclosure in Ginter that a settlement log is transferred to the senior party and then transferred, only that there is a comparison. Further, the text of Ginter cited by the Examiner with respect to traveling objects is also inapplicable because it does not disclose or suggest that a second settlement log is issued from a second user device to a first user device, and the first user device issues the second settlement log to a service provider or clearing center, as in the claimed distribution management system. (col. 137, line 57 - col. 138, line 42; col. 140, lines 50-61.) Thus, Ginter does not fairly disclose the claimed distribution management system, where that a second settlement log is issued from a second user device to a first user device and the first user device issues the second settlement log to a service provider or clearing center. Therefore, claim 1, and claims 2-8 that depend from claim 1, are allowable over Ginter.

Claims 9 and 17 have similarly been amended to recite the steps of issuing a second settlement log to the first of the plurality of user devices and then issuing the second settlement log from the first of the plurality of user devices to said one of a service provider and a clearing center. For reasons similar to those discussed above with respect to claim 1, Applicant

Response to March 21, 2007 Final Office Action Serial No. 09/808,303

respectfully submits that claims 9-18 are also allowable over Ginter. Accordingly, Applicant respectfully requests withdrawal of this rejection.

II. Conclusion

In view of the above amendments and remarks, Applicant submits that all claims are clearly allowable over the cited prior art, and respectfully requests early and favorable notification to that effect.

Respectfully submitted,

Dated: June 11, 2007 By:/David R. Metzger/

David R. Metzger Registration No. 32,919 SONNENSCHEIN NATH & ROSENTHAL LLP P.O. Box 061080 Wacker Drive Station, Sears Tower Chicago, Illinois 60606-1080

(312) 876-8000

12241703\V-1